

Governmental Health Group of Rhode Island
Minutes
Regular Meeting of the Board of Directors
Wednesday, August 27, 2008

A regular meeting of the Board of Directors was held on Wednesday, August 27, 2008, at The Rhode Island Interlocal Risk Management Trust, 501 Wampanoag Trail, Suite 301, East Providence, RI 02915.

Roll Call

Board of Directors

Shawn J. Brown	Town of Middletown	Present
Jane F. Correia	Bristol Warren RSD	Present
Harold "Ron" Devine	Little Compton Schools	Excused
Ned Draper	North Kingstown Schools	Present
David P. Faucher	Town of Portsmouth	Present
Douglas Fiore	Tiverton Schools	Present
David Krugman	Town of Richmond	Present
Nancy Lalli	City of Newport	Excused
Steven Lindberg	N. Smithfield Schools	Present
John Mainville	Town of Burrillville	Present
James McDonald	City of East Providence	Present
Randy Rossi	Town of Smithfield	Present
Robert Strom	Woonsocket Educ. Dept.	Present
Giovanni Venditti	Central Falls Schools	Present

Alternate Board Members

Richard Brown	City of East Providence	Excused
Lisa Cournoyer	Smithfield Schools	Excused
John Day	Town of Bristol	Excused
Michael Embury	Town of North Kingstown	Excused
Frances Gallo	Central Falls Schools	Excused
Jill Gemma	Town of N. Smithfield	Excused
James Goncalo	Town of Tiverton	Excused
Karen Hagan	Town of Charlestown	Excused
Robin Kimatian	Burrillville Schools	Excused
James Lathrop	Town of Hopkinton	Present
Kathleen Lombardo	Woonsocket Educ. Dept.	Excused
Catherine McLeish	Middletown Schools	Present
Robert Mushen	Town of Little Compton	Present (came in late)
Vacant	Town of Warren	Excused
Michael Saunders	Newport Schools	Excused
Irene Sripsack	N. Smithfield Schools	Excused
Christine Tague	Portsmouth Schools	Present

Others Present

Lynne Dible	Secretary	Present
Maureen Maurer	Recording Secretary	Present
Kevin Walsh	Group Benefits Strategies	Present
William D. Bjerke	Group Benefits Strategies	Present
Marc Tanguay	Town of Middletown	Present

Call to Order

President Faucher called the meeting to order at 9:30 a.m. Secretary Dible reported that a quorum was present, with 13 of the 14 voting members in attendance.

Agenda

A motion was made by S. Brown, seconded by D. Krugman, to approve the agenda for the August 27, 2008 regular meeting. The motion was approved unanimously.

Secretary's Report

A motion was made by J. Mainville, seconded by S. Brown, to approve the minutes (previously e-mailed) for the July 23, 2008 regular meeting. The motion was approved unanimously.

Treasurer's Report

Treasurer S. Brown reviewed the Balance Sheet as of July 31, 2008, including Cash Accounts, Accounts Receivables (including Medicare Part D), Liabilities Claims Payable and Loss Reserves. The Accounts Receivable Aging Summary shows that the Town of Tiverton and Tiverton School Department have outstanding balances for FY2008, which will be addressed by K. Walsh and S. Brown. S. Brown also explained the Member's Contingency Reserve, which is an amount determined by the GHGRI actuary to provide a 95% confidence level that sufficient funds will be available to pay 2 years of adverse claims experience. In the next 2 weeks, the audit by Carlin, Charron & Rosen will begin with field work at GBS and at BCBSRI. A motion was made by J. Correia, seconded by R. Rossi, to accept the Treasurer's Report as of July 31, 2008. The motion passed unanimously.

Warrants

A motion was made by S. Brown, seconded by R. Strom, to approve the September 2008 Warrant for the amount of \$471,963.67. The motion was approved unanimously.

Self-Funded Cost vs. Funding Analysis/ High Cost Claim Report

K. Walsh provided a handout (previously emailed) and reviewed the Self-Funded Cost vs. Funding analysis for the policy period 7/1/08 – 6/30/09, which is at an overall cost/funding ratio of 80.7% for the one month of claims activity as of the end of July 2008. In reviewing the High

Cost Claim Reports, he noted that there are 10 claims from the policy year 7/01/07 – 6/30/08 that are at 50% of the stop loss amount. He will continue to track through June 2009 as the stop loss coverage applies for 24 months.

OLD BUSINESS

Rx Carve-Out Consultant – RFP status

J. Correia circulated by e-mail a draft of the RFP for hiring a consultant to guide GHGRI through the process of Pharmacy Benefit Management. This consultant would have a high level of expertise with a special focus on carving out pharmacy benefits. K. Walsh is not interested in providing a quotation in response to the RFP for a consultant, although his company Prescription Benefits Services, Inc. would consider providing a quotation for PBM services. Marc Gagnon has asked to make a presentation to GHGRI to argue against the idea of carving out prescription drugs, but D. Faucher indicated that this presentation should take place after the consultant is in place. There was a consensus to leave in General Condition #20, because the group is not tax-exempt and S. Brown agreed to apply for the certificate for tax exemption. It was also agreed to remove the phrase “or consultant and employee” from General Condition #15. A motion was made by S. Lindberg, seconded by S. Brown, to accept the RFP as amended. The motion passed unanimously. The Board directed the Pharmacy Carve-Out Committee to move forward with the process and hire a consultant.

FY2008 Year End Reconciliation Status

K. Walsh reported that the second and final reconciliation for FY 2008 will take place in late September – early October. S. Brown soon will be sending out invoices for the June reconciliation.

Administrative Costs – WRI Agreement

D. Faucher spoke with Marc Gagnon of BCBSRI, who explained that GHGRI pays 6.25% for WRI, which matches the average of the varying annual rate that West Bay Community Health (WBCH) pays. This rate will continue through 2011 with the BCBSRI contract. He said that he had signed the WRI Agreement with BCBSRI since it's rate matched the WBCH average.

Annual Meeting / Election of New Officers at September 2008 meeting

The Annual Meeting will precede the Regular Meeting on Wednesday, September 24, 2008. D. Faucher asked for volunteers to step forward to serve on the Executive Committee. He also noted that six out of the eight original GHGRI members have sent him notices regarding the voting members and alternates for the 2008-2009 year.

GHGRI Marketing Plan

D. Faucher pointed out that there are eight communities in Rhode Island who are not participating in one of the three joint purchasing groups: Providence, Central Falls, Gloucester, Exeter, East Greenwich, West Greenwich, New Shoreham and Jamestown.

NEW BUSINESS

Dental Bid Timeline – William Bjerke, GBS Insurance Agency

W. Bjerke reported that he has not yet received everyone's broker of record letter. He also talked about a new piece of RI legislation that would add a 1.75% premium tax to Delta Dental premiums for fully insureds as of 1-1-09. The four members currently receiving Delta Dental are fully insured, but as other members join and the group grows larger, then the group could look at self-funding. He will issue an RFQ at the beginning of January and plans to make a presentation at the GHGRI February 2009 meeting. Members forming the expanded dental subset as of July 1, 2009 include Bristol Warren Regional Schools, Central Falls SD, Little Compton T/S, City of East Providence, Middletown T/S, Portsmouth T/S/W&F, Smithfield T/S, and Woonsocket Education Department.

Adjournment

A motion to adjourn at 10:42 a.m. was made by R.Rossi, seconded by R. Strom. The motion was approved unanimously.

The annual meeting and the next regular meeting will be held on September 24, 2008, at 9:30 a.m. at The Rhode Island Interlocal Risk Management Trust, 501 Wampanoag Trail, Suite 301, East Providence, RI 02915.

Respectfully submitted,

Lynne S. Dible, Secretary
Maureen D. Maurer, Recording Secretary